

Portfolio Strategy Framework

BCE
Consulting



Belanger —————
Crumb & Eschle



Menlo Park, CA – Boston, MA – Yarmouth, ME

bceconsulting.com

Introduction // BCE portfolio strategy framework

BCE's portfolio strategy framework defines a structured approach to help clients consider growth options near-to and far from its existing core business

The framework has four pathways for managing the portfolio:

1. Take share
2. Build the portfolio
3. Change the market
4. Innovate and disrupt

Which pathways you choose should be driven by your goals, e.g.

- Take competitive share [*X%*]
- Grow [*now versus later*]
- Grow by [*a certain %*]
- Win the market [*now versus in the next 5 years*]

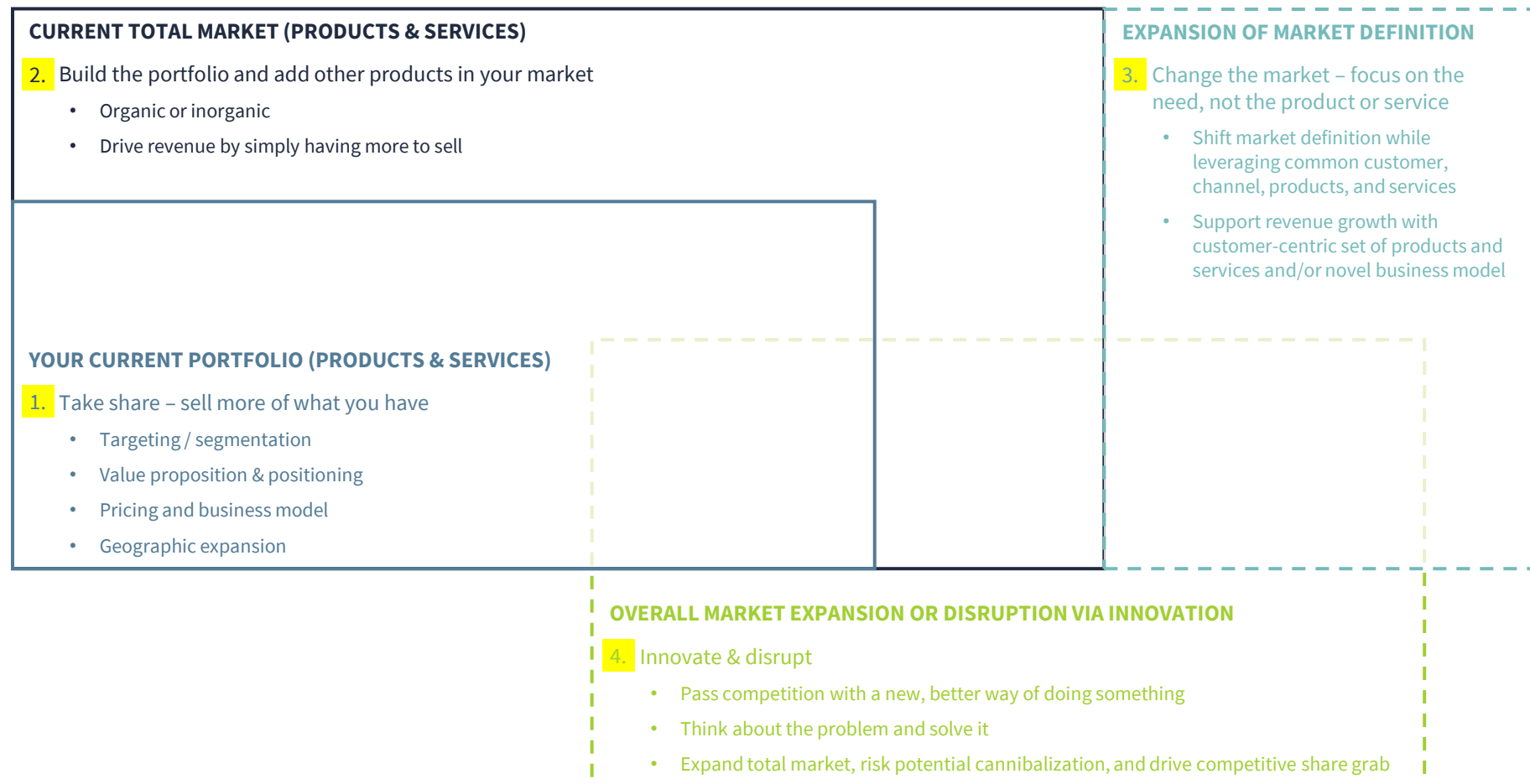
Each pathway will have a different set of required actions, e.g.

- Growth [*by 20% next year*]
- Will require [*innovation and disruption*]
- Which means you need to [*deeply understand customer needs, and be able to execute against them*]

[This framework is covered in more detail on the following slides]

BCE's portfolio strategy framework

There are four pathways for managing the portfolio within BCE's framework:



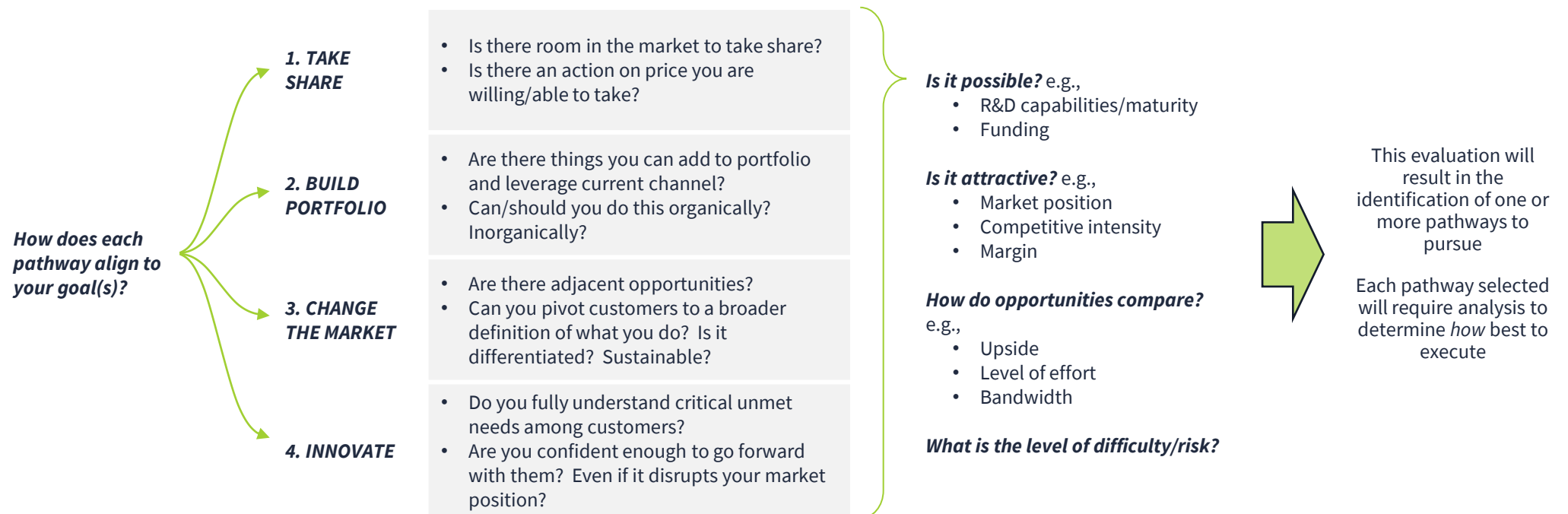
How to use the framework

Your organization's goals will dictate the right pathway(s) – each pathway will require you to think critically about your ability to execute and the attractiveness of the opportunities created

STEP 1: DEFINE GOALS

STEP 2: ANALYZE POTENTIAL PATHWAYS

STEP 3: UNDERSTAND OUTCOMES AND SELECT PATHWAYS



Building a portfolio expansion strategy

With the most attractive pathways identified, attention turns to how best to execute, which will require a high-confidence understanding of some or all the following question areas:

TAKE SHARE

- How are your customers segmented?
- How do customers view you vs. expectations vs. the competition?
- What are your competitors doing beyond the superficial - what are their plans, their objectives, their prioritization?
- Are there business models or pricing approaches that can drive customer value?

BUILD PORTFOLIO

- How do your customers buy products and services?
- Who's involved, what do they buy, what do they care about?
- How is the buying process changing?
- What does the market map look like (including would be competitors, partners, and acquisition targets)?
- Are there strategically important segments you're not in today?

CHANGE THE MARKET

- What are the linkages between your definition of the market and the way the customer views it?
- What is the direct and indirect value being derived from your products and services?
- Can you define the customer journey? Or end-consumer or patient if in B2B2C or healthcare markets?
- How do customer needs align to current and emerging products & services?

INNOVATE & DISRUPT

- What are the customer workflows?
- What are current and future unmet needs?
- What is the current status of the M&A landscape?
- How do these elements fit with your long-term strategy?

[All additional relevant actions from the first three pathways]

BCE Healthcare & Consumer leadership team



Richard Crumb, Managing Partner

Richard Crumb is a co-founder and managing partner of BCE Consulting based in Menlo Park, CA. He has more than 15 years of experience in strategy consulting, transaction support, business development, and commercial engagement across a variety of industries. In over 500 projects, he has helped clients develop corporate and business unit strategy, build strategic and business plans, evaluate adjacent markets and whitespaces, evolve business models, and supported in a variety of transaction-related activities.

Richard is responsible for leading BCE's Healthcare & Consumer division, leads our Social Sector practice, and co-leads our Private Equity practice team. In addition to client-facing work, Richard serves on BCE's management committee as head of finance.

rcrumb@bceconsulting.com



Walt Shepard, Principal

Walt Shepard is a principal at BCE Consulting and is deputy of the firm's Healthcare & Consumer division. Additionally, Walt leads some of the firm's Private Equity client relationships. For 10 years Walt has worked across a variety of industries developing growth strategies by helping companies better understand the needs of their customers and whitespace opportunities in the markets they serve. Most recently, Walt led a group of teams responsible for all corporate research and customer strategy at L.L.Bean, an IR 500 Top-35 retailer. In this position Walt was responsible for developing and maintaining L.L.Bean's omnichannel voice-of-customer program, leveraging customer feedback to improve the customer experience across channels and to drive continuous improvement in the product development process. Additionally, Walt led the development of L.L.Bean's overall customer strategy, and was responsible for developing brand and customer insights to guide customer acquisition efforts and the company's go-to-market process.

wshepard@bceconsulting.com